No. 1[redacted]370

IN THE

Supreme Court of the United States,

OCTOBER TERM, 1918.

J. HARTLEY MANNERS,

Petitioner,

v.

OLIVER MOROSCO,

Respondent.

PETITION FOR WRIT OF CERTIORARI AND BRIEF IN SUPPORT THEREOF.

WALTER C. NOYES,
DAVID GERBER,
WM. J. HUGHES,
Counsel for Petitioner.

The Evening Post Job Printing Office, Inc., 156 Fulton St., N. Y.

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No.

PETITION FOR WRIT OF CERTIORARI.

TO THE SUPREME COURT OF THE UNITED STATES:

The above named petitioner, J. Hartley Manners, prays for a writ of *certiorari* to review the decree of the United States Circuit Court of Appeals for the Second Circuit in the above entitled cause.

Questions Presented.

1. Whether a license contract to "produce, perform and represent" a dramatic work, which contract contained provisions relating to "theatrical seasons"; for the payment of royalties on gross weekly box office receipts; for the production of the "play" in first class theaters and on the road with a competent and satisfactory "company" and with a particular prominent actress in the title role; for rehearsals and production under the author's direction; providing that there should be no alterations, eliminations or additions made in the play without the approval of the author; for its release to stock

theaters in the event of failure in New York—all terms applicable to the spoken drama, but not to moving pictures—and which is silent as to any transfer of moving picture rights, nevertheless conveyed those rights from the author to the licensee.

2. Whether the contract gave a license in perpetuity or for a limited time only.

Statement of the Case.

The petitioner is a playwright, and author of a play entitled "Peg O' My Heart", duly copyrighted in the United States.

On January 19, 1912, petitioner and respondent entered into a contract under which the respondent was "to produce, perform and represent" the play referred to (R. pp. 13-17). For convenience the contract is set forth in the appendix hereto.

The respondent produced the play with a company of actors at his Burbank Theater in Los Angeles on May 28, 1912, where it ran for ten weeks, the leading character being played by Laurette Taylor, wife of petitioner, as provided by paragraph Sixth of the contract. The play was then brought to the Cort Theater, New York, where it ran for seventy-four weeks.

On July 20, 1914, the parties entered into an agreement modifying the contract of January 19, 1912, by the terms of which modification Miss Taylor was released from being required to appear in the principal role (R. pp. 117-118), and the respondent was permitted to produce the play with more than one company. After the execution of this agreement the respondent organized companies, seventeen in all, which produced the play during

the theatrical seasons of 1914-1915, 1915-1916, 1916-1917 in practically every prominent city in the United States. After the expiration of what petitioner contends was the duration of the license, the respondent announced his intention to use the play as the basis for the manufacture of a motion picture and to give and authorize the giving of motion picture performances of the play. Thereupon this suit was filed in the District Court of the United States for the Southern District of New York on August 26, 1918. It was tried and resulted in a final decree dismissing the bill on the merits on December 9, 1918. An appeal was taken to the Circuit Court of Appeals for the Second Circuit (Judges Ward, Hough and Manton), which affirmed the decree on April 17, 1919, Judge Ward dissenting on the question of the transfer of the moving picture rights.

Reasons for the Allowance of the Writ:

(1) *The public character of the principal question involved, because it affects a large number of persons and an important class of contracts, in which the amounts involved are very large.*

The marvellous development of the moving picture industry has rendered of enormous value the screen rights in modern dramatic compositions. They concern numerous authors and producers throughout the country under outstanding contracts entered into for oral production by living actors and without any reference to moving picture presentation. Whether such screen rights passed from the author to the producer is of the greatest consequence to a large number of persons.

(2) *The absence of uniformity in the decisions of the courts.*

A conflict between the decisions of the Federal courts and between them and the decisions of the State courts exists on the principal question presented. This diversity of views largely grows out of misconceptions and misapplications of the decision of this Court in the case of *Kalem* v. *Harper* (222 U. S. 55). These differing views are shown in the accompanying brief. Furthermore the courts of England have expressed a view contrary to that of the Circuit Court of Appeals in the present case. A contract similar to the one in this case, therefore, entered into in England, would not carry moving picture rights, while the contract here, under the decision of the Circuit Court of Appeals, would carry such rights to the producer.

(3) *Copyright cases usually establish principles of wide application. The final determination of the principal question involved in this case will therefore tend to prevent litigation. The words "produce, perform and represent" involved in the present case appear in Section 1 (d) of the Copyright Act and have not yet been construed by this Court.*

For these reasons, and inasmuch as this is the first case involving the questions presented to come before this court, and inasmuch also as this is a class case typical in its facts of many others similar thereto, and because also it is insisted the decision is in conflict with the terms of the contract and the intent of the parties when it was made, it is submitted that a writ of *certiorari* should

issue and the questions involved be determined by this court.

WHEREFORE, your petitioner prays that a writ of *certiorari* may issue out of and under the seal of this court, directed to the United States Circuit Court of Appeals for the Second Circuit, commanding said court to certify the above cause to this court for review and determination, as provided by law, and that your petitioner may have such other and further relief in the premises as to this court may seem appropriate.

J. HARTLEY MANNERS,
Petitioner.

DAVID GERBER,
Attorney for Petitioner.

WALTER C. NOYES,
DAVID GERBER,
WM. J. HUGHES,
Of Counsel.

UNITED STATES OF AMERICA,
Commonwealth of Massachusetts, } ss.
County of Norfolk.

J. HARTLEY MANNERS, being duly sworn, deposes and says that he is the petitioner named in the foregoing petition; that he has read the petition and knows the contents thereof; that the facts therein stated are true to the best of his knowledge, information and belief.

J. HARTLEY MANNERS

Subscribed and sworn to before me this 14th day of May, 1919.

WILBERT D. FARNHAM, JR.
Notary Public. [SEAL]

My commission expires July 16, 1920.

UNITED STATES OF AMERICA,
Southern District of New York. } ss.

DAVID GERBER, being first sworn on oath, deposes and says: That he is one of the attorneys for the petitioner named in the foregoing petition by him subscribed as attorney for such petitioner; that he knows the contents of said petition, and that the facts therein stated are true to his knowledge.

DAVID GERBER

Subscribed and sworn to before me this 15th day of May, 1919.

THOMAS F. GARRITY [SEAL]
Notary Public, Kings County No. 21
Certificate filed in New York County No. 38
Kings County Register's No. 135
New York County Register's No. 10029
Commission expires March 30th, 1920

We hereby certify that we have examined and read the foregoing petition for writ of *certiorari*, and that in our opinion such petition is well founded and should be granted by this Honorable Court, and that said petition is not filed for delay.

WALTER C. NOYES,
DAVID GERBER,
WM. J. HUGHES,
Counsel for Petitioner.

May 15th, 1919.

Appendix.

CONTRACT.

"AGREEMENT made and entered into this Nineteenth day of January, one thousand nine hundred and twelve, between J. HARTLEY MANNERS of the City, County and State of New York, party of the first part, and OLIVER MOROSCO, of the Burbank Theatre, Los Angeles, California, party of the second part.

WITNESSETH:

WHEREAS the party of the first part is the sole and exclusive author and owner of a certain dramatic composition at present entitled 'Peg O' My Heart' and

WHEREAS, the party of the second part wishes to obtain the exclusive right and license to produce, perform and represent the said play in the United States of America and the Dominion of Canada.

NOW THEREFORE in consideration of the premises and of the mutual covenants and promises of the parties of these presents hereinafter contained and in consideration of the sum of One Dollar, lawful money of the United States, this day by each of the parties hereto to the other in hand paid, the receipt whereof is hereby reciprocally acknowledged, and for other good, valuable and adequate consideration it is hereby understood, covenanted and agreed by and among the parties to the agreement as follows:

FIRST: The party of the first part hereby grants and by these presents hereby does grant to the party of the second part subject to the terms, con-

ditions and limitations hereinafter expressed, sole and exclusive license and liberty to prod perform and represent the said play in the Un States of America and the Dominion of Canad

SECOND: The party of the second part in sideration of such grant hereby agrees to pa the party of the first part the sum of Five h dred ($500.00) dollars upon the signing and ex tion of this agreement, the receipt whereo hereby acknowledged, and which sum shall b advance of the royalties to accrue to the part the first part under this agreement, and is to be returned to the party of the second under any circumstances whatsoever, but is t credited as the payment of the first royalties hereinafter provided, if the said play shall be duced by the said party of the second part u this agreement.

THIRD: The party of the second part agree produce the play not later than January first, 1 and to continue the said play for at least seve five performances during the season of 1913-1 and for each theatrical season thereafter fo period of five years.

FOURTH: The party of the second part furt agrees to pay to the party of the first part not l than the first Wednesday following each and e week during which a performance of the said shall have been given, further sums as royal as follows:

Five per cent (5%) of the first four thous five hundred ($4500) dollars gross weekly recei seven and one half (7½) per cent on the next thousand ($2,000) dollars gross weekly recei and ten (10%) per cent on all sums over amount of six thousand five hundred ($6,500)

lars gross weekly receipts—which said sum of money, together with certified box-office statements, the party of the second part agrees to send to the party of the first part.

FIFTH: The said party of the second part further agrees that if during any one theatrical year, such year to begin on the first day of October, said play has not been produced or presented for seventy-five performances, then all rights of the said party of the second part shall cease and determine and shall immediately revert to the said party of the first part.

SIXTH: It is further agreed that the said party of the second part shall present the said play in first class theatres with a competent company, the said company to be mutually satisfactory to both the parties to this agreement, and with Miss Laurette Taylor in the title role of 'Peg O' My Heart' and that the play will have a production in New York City and will be continued on the road with Miss Taylor in the part of 'Peg' for at least one season or longer if considered advisable by both parties to this agreement.

SEVENTH: No alterations, eliminations or additions to be made in the play without the approval of the author.

EIGHTH: The rehearsals and production of the play to be under the direction of the author.

NINTH: The name of the author to appear on all advertising, reading and printed matter used in connection with the play.

TENTH: The author to have the right to print and publish the play, but this right is not to be exercised by the author within six months after the production of said play in New York City un-

less the written consent of the manager has first been obtained.

ELEVENTH: Said manager does hereby agree that he will not lease, sub-let, assign, transfer or sell to any person or persons, firm or corporation any of his aforesaid rights in and to the said dramatic composition or play without the written consent of said author has first been obtained. Should the play fail in New York City and on the road it is agreed between both parties it shall be released for stock.

TWELFTH: Whenever the play is released for Stock the royalties received from the Stock Theatres to be divided equally between the party of the first part and the party of the second part.

THIRTEENTH: This agreement is binding upon the parties hereto, upon their heirs, executors, assigns, administrators and successors.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

In the presence of

.....

.....

J. HARTLEY MANNERS (L. S.)
OLIVER MOROSCO (L. S.)

It is further agreed that after Miss Taylor shall have finished her season in 'Peg O' My Heart' as provided for in this contract, her successor in the role of 'Peg' for any subsequent tours shall be mutually agreeable to both parties to this contract.

J. HARTLEY MANNERS,
OLIVER MOROSCO."

BRIEF IN SUPPORT OF PETITION FOR CERTIORARI.

I.

The author of a copyrighted drama granting a license to produce the play does not thereby part with the motion picture rights, unless expressly or impliedly granted. The Court below misconstrued and misapplied the decision of this Court in the Kalem case (222 U. S. 55).

All rights possessed by the owner of a copyright remain in him, except such as he expressly or impliedly parts with by the terms of the license.

What has been granted in the contract under discussion was the exclusive right to "produce, perform and represent" the said play in the United States of America and the Dominion of Canada, *subject to the terms, conditions and limitations* thereinafter expressly in said contract contained.

The limitation expressed in the contract, by its terms, is the limitation to produce the play in spoken drama. To emphasize this, we need but refer to one paragraph of the contract, in addition to those more particularly specified in our present petition, *i. e.*,

> "No alterations, eliminations or additions to be made in the play, without the approval of the author" (R. p. 109, fol. 326).

A photo-play has no dialogue. There are no actors to speak lines. It is a screen reproduction of a panto-

mimic performance before a camera. Shakespeare would not be Shakespeare if performed in pantomine.

A license, therefore, which provides against elimination of dialogue, cannot be construed to impliedly grant the right to give a production which eliminates all dialogue.

Under the construction of the license by the court below, the defendant could have given seventy-five screen or motion picture performances of the play each season. Had he never produced it with living actors it would have been a compliance with the provisions of the license as so construed. The right to "produce, perform and represent" must be read in connection with the limitations specified in the license.

This Court rendered the initial decision in this class of cases in *Kalem* v. *Harper,* 222 U. S. 55, when copyright cases were appealable of right. In that case, the question was whether a motion picture production was a dramatization of a book, and this Court held that it was. This decision is nearly always referred to by the courts in these cases, but there is, apparently, much diversity of opinion as to its meaning. This is well illustrated in the opinions of the two courts which heard the present case. Judge Mayer in the District Court said, with respect to the word "produce": "When used alone that word has a definite meaning by virtue of *Kalem* v. *Harper.*" The meaning of the word "produce" is not even referred to in the *Kalem* decision. The learned Judge also says, in discussing the clause in the present license against alterations of the play, that the suggestion that such clause has any bearing "is not persuasive in view of the *Kalem* * * * cases". But no such question was involved or

considered in the *Kalem* case. The Circuit Court of Appeals, in its opinion, also referred to the *Kalem* case as having been its authority in a previous case (*Klein* v. *Beach, supra*) for holding that the *grant of a license of dramatic rights, if narrowed by other limitations, did not include motion pictures, while in the present case, directly the opposite is held.* The court said, in effect, that the limitations did not restrict the granting clause. As matter of fact, the *Kalem* case has nothing to do with either proposition.

The difficulty is that the courts apply the *Kalem* decision to matters quite beyond its scope. They treat a decision construing the *copyright law* as if it interpreted a *contract.* Because the conclusion that a motion picture production amounts to a dramatization, is not a reason why a license to produce a play should include motion picture rights; all depends upon what the parties intend by their contract. We respectfully urge that it would be highly advantageous to authors, dramatists, play producers, book publishers, as well as to motion picture manufacturers, if the opinion of this court in the *Kalem* case, construing the law, could be supplemented by a decision determining the rights of parties under contracts made thereunder.

It is obvious from what the parties said in their contract under discussion that what they had in mind was the spoken drama. Every line is consistent with a stage performance. There is not a line which fits a motion picture performance. If the Courts had considered the contract as a whole they never could have held that the parties intended to include motion picture rights. The Circuit Court of Appeals (and the District

Court), however, applied technical rules of construction under the evident belief that they were required to do so by the decision of this Court in the *Kalem* case. They place stress upon the mere granting language, and disregard all the rest of the contract. They say that the words "the sole and exclusive license and liberty to produce and perform said play" have received judicial construction and cite *Frohman* v. *Fitch,* 164 App. Div. 231. But the words quoted were applied in an absolute grant and not in a license, and other provisions made it clear that a general assignment of all rights was intended. The words quoted, however, were *exactly* those of *Klein* v. *Beach,* 239 Fed. Rep. 108 (affirming 232 Fed. Rep. 245), where the Circuit Court of Appeals itself held that, on account of further language used, the license did *not* include motion picture rights.

The real question in this case is whether the decisions of this Court have placed an iron-clad interpretation upon certain words so that nothing else matters. In effect the lower courts say on account of the decision of this Court, that a grant of a license to produce a play must stand like the granting clause of a warranty deed and cover all possible rights regardless of all subsequent limiting provisions. On the other hand, we contend that these contracts should be considered like other contracts, and all provisions weighed in order to ascertain the intentions of the parties.

By the amendment to Section 5 of the Copyright Act (approved August 24, 1912, 37 Stat. 488), motion picture photo-plays are classified in subdivision l, as distinct from dramatic or musical compositions (subdivisions d and e). These rights are separable; "there might be a

copyright for a dramatization of the old sort (acted on a stage), and also a copyright for a dramatization of the new sort (arranged in motion pictures)."

Photo-Drama Motion Picture Co. vs. *Social Uplift Corporation,* 220 Fed. 448-449.

This would enable the defendant to secure a separate copyright of the motion picture representation, distinct from the copyright of the petitioner, and this under a contract by which he undertook to perform the play written by the author, without making any alteration, elimination or addition, and under a license which specified in detail, and with some elaboration, the limitations and restrictions under which the performance is licensed.

For the convenience of the court, we have, in the appendix, prepared a parallel column of the essential paragraphs of the contract in the *Klein-Beach case,* and the one under discussion, to indicate the conflict which, we contend, has been created, and the perplexities which now confront authors, play producers, motion picture manufacturers and exhibitors, in determining the rights of the various parties in connection with a dramatic composition, and of dramatists in connection with books, stories and other literary productions.

The effect of the decree is that under a license "to produce, perform and represent" the play for seventy-five times each theatrical season for five years, the defendant has been awarded the right in perpetuity to produce the play in motion pictures, irrespective of the various provisions of the contract, to which reference has been made, and with no other obligation than to give or authorize the giving of said number of performances each theatrical season.

II.

The rulings upon the moving picture question present a particularly proper case for review by certiorari.

The Court below was divided upon the question of the moving picture rights. It was so divided because apparently its members disagreed upon the application of the decision of this Court in the *Kalem* Case (222 U. S. 55). Judge WARD said in his dissenting opinion that the words "produce, perform, and represent", had not received judicial construction so as to make them technical without reference to the terms of the production contract and said in effect that the *Kalem* Case did not so hold. Judge Manton reached the opposite conclusion and he also cited the *Kalem* Case as shown in the last point.

The decisions of the State and Federal Courts are conflicting. *Frohman* vs. *Fitch,* 164 A. D. (N. Y.) 231, is quite out of line with *Klein* vs. *Beach,* 239 Fed. 109, 232 Fed. 240. And yet in the present case we find the Court below disregarding its opinion in the latter case and accepting the former.

In England the Courts hold that a contract for "English performances" or "acting rights" does not include a production by means of cinematograph films.

Wyndham vs. *A. E. Huebsch & Co., Ltd., Ganthony* v. *G. R. J. Syndicate, Ltd.* ("The Author", Vol. XXVI, No. I of Oct. 1, 1915, pp. 16-17).

For these reasons we submit that the record submitted presents a proper case for the issuance of a writ of *certiorari* under the principles of *Forsyth* vs. *Hammond*, 166 U. S. 506; *St. Louis, etc., R. Co.* vs. *Wabash R. R. Co.*, 217 U. S. 247, and other cases.

III.

The license is not a grant of a right in perpetuity, as was held by the Court below.

The plaintiff contended that the term of the license was for a period of five years. The Court on the other hand ruled that the respondents' right was granted in perpetuity so long as he gave seventy-five performances during each theatrical year. We respectfully insist that such ruling was erroneous.

That which was granted to the respondent was a *license*. The agreement says "license and liberty to produce". This license was a personal one. The eleventh paragraph of the license provided that it should be non-assignable, which necessarily made it a personal license. This personal license was revocable at the option of the licensor for that is the elementary rule regarding such licenses where no specific term is designated and no obligation assumed by the licensee. But where a licensee has assumed obligations the law gives him time to fulfill them, and as this respondent agreed by the third paragraph of the license to produce the play for five years, he is to be regarded as having the right for that period, but

no longer. It should further be pointed out that paragraph first of the contract granted the respondent his license subject to the limitations of the contract, and that paragraph third which contained the five-year provision constituted a limitation of the license to that period.

IV.

The prayer of the petitioner should be granted.

New York, May 15th, 1919.

Respectfully submitted,

WALTER C. NOYES,
DAVID GERBER,
WM. J. HUGHES,
Counsel for Petitioner.

Appendix.

KLEIN-BEACH CONTRACT, set forth in 232 Fed. 242.	CONTRACT UNDER DISCUSSION.
1. The novelist (Rex Beach) grants to the author (Klein) the sole and exclusive right to dramatize the book for presentation upon the stage.	1. The author (Manners) grants to Morosco, *subject to the terms, conditions and limitations expressed,* the sole and exclusive license and liberty to produce, perform and represent *the said play* in the United States of America and the Dominion of Canada.
2. The author and the novelist grant to the manager (Author's Producing Co.) subject to their terms, conditions and limitations, the sole and exclusive license and liberty to produce, perform and represent the said play or dramatic composition on the stage, in the United States of America and the Dominion Canada.	
3. $1,000. paid as advance royalties.	2. $500. paid as advance royalties.
4. The royalties for the said play were to be a sum equal to, etc.	4. Morosco agrees to pay Manners, as royalties, a percentage of the gross weekly

KLEIN-BEACH CONTRACT, set forth in 232 Fed. 242.	CONTRACT UNDER DISCUSSION.
	receipts (a provision which Judge Hough, in *Harper* v. *Klaw*, said was "confessedly incapable of application to any method of producing photo-plays in commercial use or known to witnesses or counsel" (232 Fed. 612).
6. Neither the contract nor the rights granted to the manager shall be assigned, nor the play sublet by the manager, without first receiving the consent in writing of the author and novelist.	11. Manager shall not lease, sub-let, etc. his rights in the dramatic composition or play, without the written consent of the author.
7. If the play is produced in stock theatres, royalties shall be divided.	11. Should the play fail in New York and on the road it shall be released for stock.
	12. Whenever the play is released for stock, royalties from the stock theatres to be equally divided.
8. Play to be produced only in first-class theatres and in a first-class manner with a competent cast, to be selected or approved by the author and novelist; author to stage the play for production by the first company.	6. The play to be performed in first-class theatres with a competent company, company to be mutually satisfactory to both parties, with Miss Laurette Taylor in the title role; the play to have a production in New York City, and continued

KLEIN-BEACH CONTRACT, set forth in 232 Fed. 242.	CONTRACT UNDER DISCUSSION.
	on the road, with Miss Taylor in the part, for at least one season or longer, if considered advisable by both parties to the agreement.
	8. *The rehearsals and production of the play to be under the direction of the author.*
9. Manager agrees to produce the play for a consecutive run, on or before November 17, 1912.	3. Morosco agrees to produce the play not later than January 1, 1913, and to continue the said play for at least seventy-five performances during the season of 1913-1914, and for each theatrical season thereafter for a period of five years.
10. Manager agrees to announce on all advertising matter that the play is a dramatization by Charles Klein of the Rex Beach novel "THE NE'ER DO WELL."	9. The name of the author to appear upon all advertising, reading and printed matter used in connection with the play.
11. The Manager agrees that no alterations, eliminations, emendations, changes or additions of any sort whatsoever shall be made	7. No alterations, eliminations or additions to be made in the play without the approval of the author.

KLEIN-BEACH CONTRACT, set forth in 232 Fed. 242.	CONTRACT UNDER DISCUSSION.
in the text of the said play, without the consent of the author first obtained in writing, and the author agrees to make such reasonable changes or modifications as may be mutually considered by the author and manager necessary.	

IN THE

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1918.

J. HARTLEY MANNERS,
Petitioner,
v.
OLIVER MOROSCO,
Respondent.
} No.

To CHARLES H. TUTTLE and WILLIAM KLEIN, counsel for the above named respondent, and to the above named respondent:

PLEASE TAKE NOTICE that we shall file in the Office of the Clerk of the Supreme Court of the United States the foregoing petition for writ of *certiorari* and brief, together with the printed record in the above entitled cause, and that we shall, on the 2nd day of June, 1919, submit the petition to the Court.

WALTER C. NOYES,
DAVID GERBER,
Counsel for Petitioner.

Received a copy of the foregoing notice and of the petition for writ of *certiorari* and brief referred to therein, this 16th day of May, 1919.

William Klein
Charles H. Tuttle
Counsel for Respondent.